



強制性公積金計劃管理局
MANDATORY PROVIDENT FUND SCHEMES AUTHORITY

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By Email

16 May 2018

Circular Letter: SU/CTR/2018/001

To: All Approved Trustees

Dear Approved Trustees,

Streamlined Process for Approval of New Constituent Funds and Pooled Investment Funds (collectively, new MPF Funds) (Streamlined Process)

The purpose of this circular letter is to announce that the Streamlined Process would take effect from 21 May 2018 (**Effective Date**).

Background

The Authority regularly reviews practices and work flows in handling applications submitted by MPF trustees. In order to enhance the overall efficiency in the approval of new MPF Funds, the Authority has devised the Streamlined Process for approval of new constituent funds (CFs) pursuant to section 21BB of the Mandatory Provident Fund Schemes Ordinance and pooled investment funds (PIFs) pursuant to section 6 of the Mandatory Provident Fund Schemes (General) Regulation.

In the briefing session held on 2 May 2018 by the Authority to representatives of approved trustees and their appointed service providers, the Authority introduced the Streamlined Process applicable to all new MPF Funds seeking the Authority's approval. Set out below is a summary of the key processes under the Streamlined Process.

Streamlined Process

Estimated overall processing time under Streamlined Process

In general, under the Streamlined Process, the overall processing time of an application is not expected to be longer than 8 months from acknowledgement of the application to granting of final approval by the Authority.

The workflow for the Streamlined Process is summarized in *Appendix A*. Under the Streamlined Process, approval of new MPF Funds will be divided into three stages:

Stage 1: Pre-submission

An applicant is expected to submit a product proposal to the Authority for review prior to formal submission of an application. The applicant should discuss with the Authority on any material issues that are required to be resolved before submission of an application. The Authority aims to provide comments and feedbacks on critical issues to the applicant within 10 working days upon receipt of the product proposal.

Stage 2: Formal submission to the Authority

Once the critical issues identified during the pre-submission stage are resolved, the applicant may submit a formal application to the Authority. The Authority will pledge to acknowledge the relevant application within 7 working days upon receipt of the application.

After acknowledgement, the Authority will review the application documents taking into consideration (i) whether the application documents reflect the product proposal, and (ii) key elements of new MPF Funds, including fund name, fund structure, statement of investment policies and objectives and fee & charges.

If, after preliminary assessment, the application documents are in order, the Authority will process the application and issue a letter of Approval-in-Principle (**AIP Letter**) to the applicant within 30 working days from the date of acknowledgment.

If, after preliminary assessment, the application documents are not in order (e.g. the key elements of a proposed fund do not match with the product proposal or features of the proposed fund not set out in the product proposal are added to the constitutive documents), requisitions will be issued to the applicant. The AIP Letter may not be issued to the applicant within 30 working days and the overall processing time may exceed 8 months.

Stage 3: Formal submission to the Securities and Futures Commission (SFC)

The applicant shall submit a formal application to the SFC within 14 working days from the date of the AIP Letter. Once the application is taken up by the SFC, the Authority will then perform vetting of disclosure on application documents.

Please note that the application will be subject to a 6 months lapse policy of the SFC from the date of the SFC's take-up letter. In general, under the Streamlined Process, the overall processing time of an application is not expected to be longer than 8 months from acknowledgement of the application to granting of final approval by the Authority.

A set of FAQs in respect of the Streamlined Process has been prepared. Please see *Appendix B* for details.

Transitional arrangements

Applications received before the Effective Date

Existing applications for approval of new MPF Funds received by the Authority prior to the Effective Date will not be subject to the Streamlined Process.

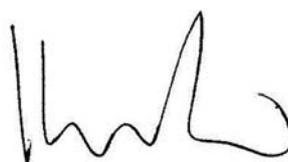
Applications received on or after the Effective Date

Applications for approval of new MPF Funds received on or after the Effective Date will be processed under the Streamlined Process.

The Streamlined Process initiative should encourage applicants to respond to requisitions in a timely manner, so that a more expedited process can be achieved. Whilst the Streamlined Process is facilitative, the processing time may very much depend on factors such as complexity of the specific case, quality of submission and turnaround time of the requisition(s) during the application process.

Should you have any queries on the above, please contact Mr Francis Chan, Senior Manager (Supervision) at 2292-1298.

Yours faithfully,

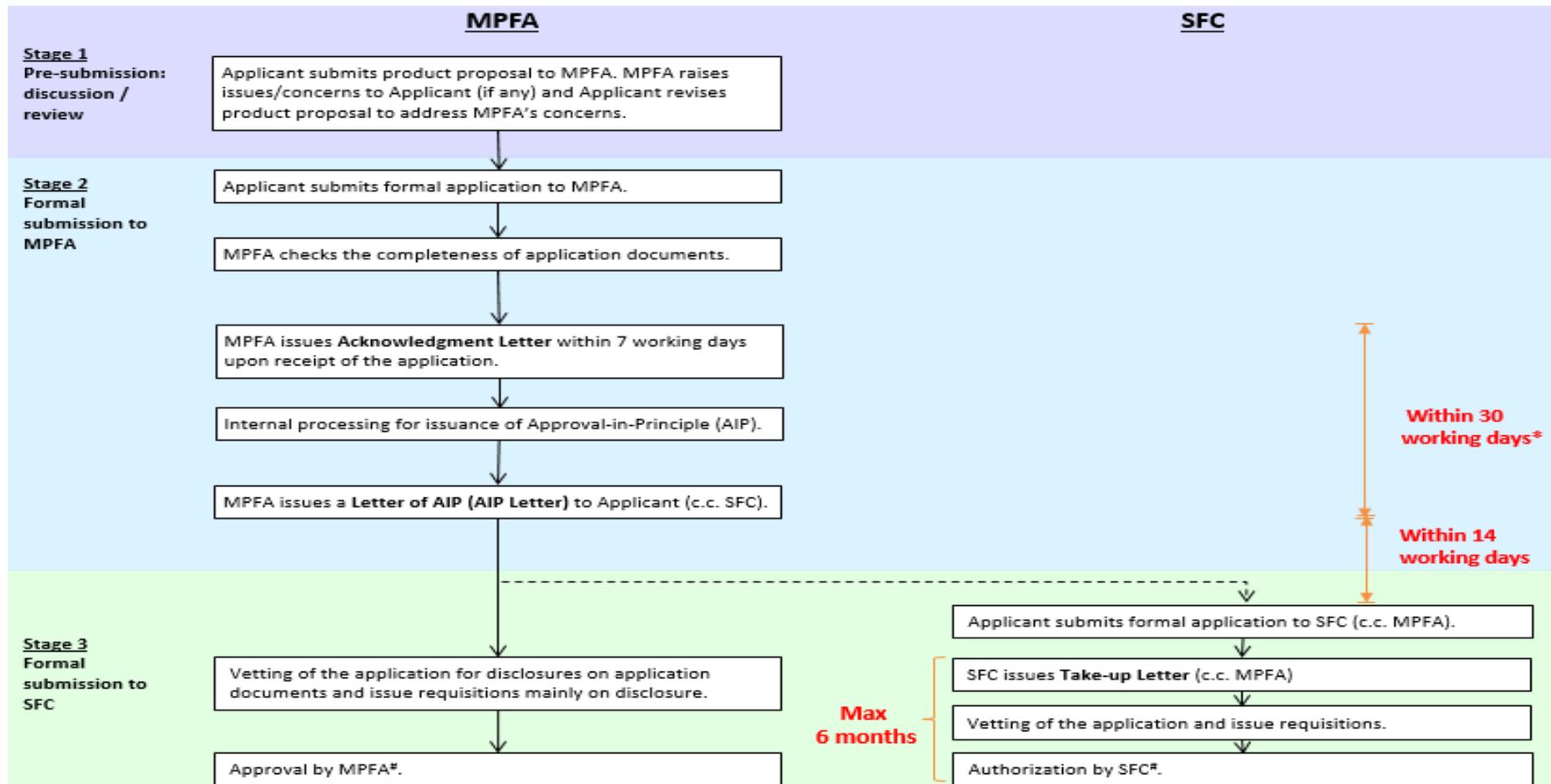
A handwritten signature in black ink, appearing to be 'Joseph Lee', written in a cursive style.

Joseph Lee
Head (Trustees Supervision)
Supervision Division

Encl.

Appendix A

Workflow for approval of new MPF Funds under the Streamlined Process



* Requisitions will be issued if the application documents are not in order (e.g. application documents do not match with product proposal). Under this scenario, the issuance of AIP Letter may take longer than 30 working days.

The SFC may authorize earlier than or concurrently with the MPFA's grant of approval.

Appendix B: FAQs relating to the Streamlined Process

	Question	Answer
1.	Can I submit all related applications in one go if the new fund application is associated with other changes such as scheme restructuring and/or merger?	To avoid prolonged processing time, it is strongly encouraged that amendments that are not related to approval of new MPF Funds are to be submitted in a separate application.
2.	Can I subsequently make structural changes to particulars of the MPF Funds or additional amendments after formal submission to the Authority?	When the application documents do not reflect the product proposal or changes not reflected in the product proposal have been added to the application documents, requisitions will be issued to the applicant of which the AIP Letter may not be issued to the applicant within 30 working days from the date of acknowledgment. Hence, after formal submission, any structural changes to the particulars of the MPF Funds (such as fund name, product structure, statement of investment policy and objective and investment restrictions, etc.), may prolong the processing time of the application.
3.	Under what circumstances will the processing time from acknowledgement of an application to granting of AIP Letter be exceeding 30 working days?	If, after preliminary assessment, the application documents are not in order, such as, the key elements do not match with the product proposal or changes not reflected in the product proposal have been added to the application documents, requisitions will be issued to the applicant of which the issuance of AIP Letter may exceed 30 working days.
4.	How long will the pre-submission of formal application take?	As a general practice, the Authority aims to provide comments and feedbacks on critical issues to applicants within 10 working days upon receipt of the product proposals. However, the processing time of the pre-submission stage may vary, depending on factors, such as complexity of the specific case, turnaround time of the requisition(s) and quality of submission, etc. during the pre-submission stage.

	Question	Answer
5.	Does the estimation of 8 months under the Streamlined Process indicate that this is the normal processing time of each application?	No. In general, under the Streamlined Process, the overall processing time of an application is not expected to be longer than 8 months from acknowledgement of the application to granting of final approval by the Authority. The actual processing time may vary, depending on factors such as complexity of the specific case, turnaround time of the requisition(s) and quality of submission, etc. during the application process.
6.	Will the Streamlined Process be applicable to all applications for approval of new MPF Funds?	The Streamlined Process will be applied to all applications for approval of new MPF Funds other than application for approval of new CFs under a new MPF Scheme.